

Wallsburg Town
Wasatch County, Utah

ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 2005

Wallsburg Town
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June 30, 2005

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ACCOUNTANT'S COMPILATION REPORT

Mayor and Town Council
Wallsburg Town
Wallsburg, UT

January 31, 2006

We have compiled the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Wallsburg Town, as of and for the year ended June 30, 2005, which collectively comprise the Town's basic financial statements as listed in the table of contents, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

The management's discussion and analysis and budgetary comparison information as listed in the table of contents are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have compiled the supplementary information from information that is the representation of management, without audit or review. Accordingly, we do not express an opinion or any form of assurance on the supplementary information.

GILBERT & STEWART
Certified Public Accountants

MANAGEMENT'S DISCUSSION AND ANALYSIS

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Wallsburg Town
Management's Discussion and Analysis
June 30, 2005

As management of Wallsburg Town (the Town), we offer readers of the Town's financial statements this narrative overview and analysis of financial activities of the Town for the fiscal year ended June 30, 2005.

FINANCIAL HIGHLIGHTS

- *Total net assets for the Town as a whole increased by \$35,793.
- *Total unrestricted net assets for the Town as a whole increased by \$8,257.
- *Total net assets for governmental activities increased by \$4,449.
- *Total net assets for business-type activities decreased by \$31,344.

BASIC FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the basic financial statements of Wallsburg Town. The basic financial statements comprise three components: (1) government wide financial statements, (2) fund financial statements, and (3) notes to the financial statements.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of the town's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The statement of activities presents information showing how the Town's net assets changed during the fiscal year reported. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The statement of activities is presented on two pages. The first page reports the extent to which each function or program is self-supporting through fees and intergovernmental aid. The second page identifies the general revenues of the Town available to cover any remaining costs of the functions or programs.

Wallsburg Town
Management's Discussion and Analysis
June 30, 2005

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town also uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into two categories: governmental funds and proprietary funds.

Governmental funds. These funds are used to account for the same functions reported as governmental activities in the government-wide financial statements. Governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year.

Because of the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for government funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the government fund balance sheet and the government fund statement of the revenues, expenditures, and changes in fund balances provide reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town's major governmental funds (as determined by generally accepted accounting principles) are the general fund and the capital projects fund.

The Town adopts an annual appropriated budget for its general and capital project funds. A budgetary comparison schedule has been provided to demonstrate legal compliance with the adopted budget for the general fund.

The basic governmental fund financial statements can be found later in this report; see Table of Contents.

Proprietary funds. The Town maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town uses three enterprise funds to account for the operations of the water, sewer, and landfill utilities.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The enterprise funds are considered major funds of the Town.

The proprietary fund financial statements can be found later in this report; see Table of Contents.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are reported later in this report; see Table of Contents.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Town.

Wallsburg Town
Management's Discussion and Analysis
June 30, 2005

FINANCIAL ANALYSIS

Wallsburg Town's Net Assets

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Current Year</u>	<u>Total Previous Year</u>
	<u>Current Year</u>	<u>Previous Year</u>	<u>Current Year</u>	<u>Previous Year</u>		
Current and other assets	\$141,458	129,407	90,623	87,087	232,081	216,494
Net capital assets	<u>227,920</u>	<u>232,390</u>	<u>676,363</u>	<u>648,356</u>	<u>904,282</u>	<u>880,745</u>
Total assets	<u>369,378</u>	<u>361,797</u>	<u>766,986</u>	<u>735,443</u>	<u>1,136,363</u>	<u>1,097,240</u>
Current liabilities	9,844	6,713	4,199	-	14,043	6,713
Long-term liabilities			<u>32,027</u>	<u>36,027</u>	<u>32,027</u>	<u>36,027</u>
Total liabilities	<u>9,844</u>	<u>6,713</u>	<u>36,226</u>	<u>36,027</u>	<u>46,070</u>	<u>42,740</u>
Net assets:						
Capital assets, net of debt	227,920	232,390	644,336	612,329	872,255	844,718
Restricted						
Unrestricted	<u>131,614</u>	<u>122,695</u>	<u>86,425</u>	<u>87,087</u>	<u>218,039</u>	<u>209,782</u>
Total net assets	<u>\$359,534</u>	<u>355,084</u>	<u>730,760</u>	<u>699,416</u>	<u>1,090,294</u>	<u>1,054,500</u>

As noted earlier, net assets may serve over time as a useful indicator of financial position. Total assets exceeded total liabilities at the close of the year by \$1,090,294, an increase of \$35,793 from the previous year. This change is equivalent to the net income for the year, in private sector terms.

Total unrestricted net assets at the end of the year are \$218,039, which represents an increase of \$8,257 from the previous year. Unrestricted net assets are those available to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements.

The amount of current and other assets represent the amounts of cash and receivables on hand at the end of each year. Other liabilities are the amounts of current and other assets due, at year end, for goods and services acquired.

Changes in capital assets are the result of the difference, in the current year, of the cost of acquisition of capital assets and any depreciation charges on capital assets.

Wallsburg Town
Management's Discussion and Analysis
June 30, 2005

FINANCIAL ANALYSIS

Wallsburg Town's Changes in Net Assets

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Current Year</u>	<u>Total Previous Year</u>
	<u>Current Year</u>	<u>Previous Year</u>	<u>Current Year</u>	<u>Previous Year</u>		
Program revenues:						
Charges for services	\$14,812	11,027	37,293	30,079	52,104	41,106
Operating grants	17,076	16,592	36,417	93,478	53,493	110,070
Capital grants						
General revenues:						
Property taxes	10,013	9,865	-	-	10,013	9,865
Sales tax	24,945	21,096			24,945	21,096
Other taxes						
Other revenues	4,919	1,686	-	71	4,919	1,757
Total revenues	<u>71,764</u>	<u>60,266</u>	<u>73,710</u>	<u>123,629</u>	<u>145,474</u>	<u>183,894</u>
Expenses:						
General government	37,547	28,391			37,547	28,391
Streets	23,729	12,760			23,729	12,760
Parks	6,039	7,294			6,039	7,294
Water			42,365	29,511	42,365	29,511
Total expenses	<u>67,315</u>	<u>48,445</u>	<u>42,365</u>	<u>29,511</u>	<u>109,680</u>	<u>77,956</u>
Excess (deficiency) before transfers	4,449	11,821	31,344	94,118	35,793	105,938
Transfers	-	-	-	-	-	-
Increase (decrease) in net assets	<u>\$ 4,449</u>	<u>11,820</u>	<u>31,344</u>	<u>94,118</u>	<u>35,793</u>	<u>105,938</u>

Total revenues decreased by \$38,420, while total expenses increased by \$31,724. The total net increase for the year of \$35,793 is a decrease from the previous year of \$70,144.

Governmental activities revenues of \$71,764 is an increase of \$11,499 from the previous year, this is due to increases in tax revenue, charges for services, and other revenue. Governmental activities expense of \$67,315 is an increase of \$18,870 from the previous year, primarily due to an increase in street maintenance.

Business-type activities revenue of \$71,764 is a decrease of \$49,919 from the previous year because there was less grant money received this year. Business-type activities expense of \$42,365 is an increase of \$12,854 from the previous year primarily due to increases in the cost of maintenance and water testing.

**Wallsburg Town
Management's Discussion and Analysis
June 30, 2005**

BALANCES AND TRANSACTIONS OF INDIVIDUAL FUNDS

Some of the more significant changes in fund balances and fund net assets and any restrictions on those amounts is described below:

General Fund

The fund balance in the general fund of \$29,772 reflects an increase of \$15,777 from the previous year. Total revenues increased by \$10,208. Tax revenues, including property taxes and sales taxes, changed by \$3,996. Intergovernmental revenues increased by \$484. All other revenues excluding transfers increased by \$5,727.

Total expenditures decreased by \$24,386. Expenditure changes, by department, excluding capital outlay: administrative increased by \$5,089, parks and recreation decreased by \$1,621, and streets and highways increased by \$5,955.

There are no reserves or restrictions of the general fund resources at the end of the current year.

Water Fund

The fund balance in the water fund is \$730,760. The net decrease before contributions and transfers was \$5,073. Total revenues, other than from grants and transfers, increased by \$7,142 from the previous year, while total expenses increased by \$12,854. Grant income for the year was \$36,417, which is a decrease from the previous year of \$57,061.

There are no reserves or restrictions of the water fund resources at the end of the current year.

GENERAL FUND BUDGETARY HIGHLIGHTS

Revenues for the current year, exclusive of transfers and fund balance appropriations, were originally budgeted in the amount of \$56,400. This amount was changed in the final budget to \$58,589.

Expenditures for the current year, excluding transfers, were originally budgeted in the amount of \$45,185. This amount was amended in the final budget to \$63,435.

Net transfers for the year were originally budgeted in the amount of \$11,215. The final net transfer budget was \$4,846.

Wallsburg Town
Management's Discussion and Analysis
June 30, 2005

CAPITAL ASSET AND DEBT ADMINISTRATION

Wallsburg Town's Capital Assets (net of depreciation):

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Current Year</u>	<u>Total Prior Year</u>
	<u>Current Year</u>	<u>Previous Year</u>	<u>Current Year</u>	<u>Previous Year</u>		
Net Capital Assets:						
Land and water rights	\$ 50,496	50,496	17,320	17,320	67,816	67,816
Buildings and improvements	72,599	70,388	614,471	631,036	687,069	701,424
Equipment	1,944	3,611			1,944	3,611
Infrastructure	102,880	107,895			102,880	107,895
Work in progress	-	-	44,572	-	44,572	-
Totals	<u>\$227,920</u>	<u>232,390</u>	<u>676,363</u>	<u>648,356</u>	<u>904,282</u>	<u>880,745</u>

There was little change in capital assets during the year. Additional information may be found in the notes to financial statements.

Wallsburg Town's Outstanding Debt - Revenue Bonds

	<u>Current Year</u>	<u>Previous Year</u>
Business-type activities:		
Water fund:		
GMAC Water Bond	<u>\$32,027</u>	<u>36,027</u>
Total	<u>\$32,027</u>	<u>36,027</u>

Additional information regarding the long-term liabilities may be found in the notes to the financial statements.

**Wallsburg Town
Management's Discussion and Analysis
June 30, 2005**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

No significant economic changes that would affect the Town are expected for the next year. Budgets have been set on essentially the same factors as the current year being reported.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Wallsburg Town's finances for all those with an interest in the Town's finances. Questions concerning any information provided in this report or requests for additional financial information should be addressed to the Town Clerk, P.O. Box 52, Wallsburg, Utah 84082.

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BASIC FINANCIAL STATEMENTS

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Wallsburg Town
STATEMENT OF NET ASSETS
June 30, 2005

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current Assets:			
Cash and cash equivalents	\$110,397	83,711	194,108
Receivables (Note 3-B)	<u>31,061</u>	<u>6,912</u>	<u>37,973</u>
Total current assets	<u>141,458</u>	<u>90,623</u>	<u>232,081</u>
Non-current assets:			
Capital assets, net of depreciation (Note 3-C)	<u>227,920</u>	<u>676,363</u>	<u>904,282</u>
Total non-current assets	<u>227,920</u>	<u>676,363</u>	<u>904,282</u>
Total assets	<u>\$369,378</u>	<u>766,986</u>	<u>1,136,363</u>
LIABILITIES			
Current Liabilities:			
Accounts payable	\$ 691	4,199	4,890
Deferred revenues	9,153	-	9,153
Revenue bonds due currently	<u>-</u>	<u>4,000</u>	<u>4,000</u>
Total current liabilities	<u>9,844</u>	<u>8,199</u>	<u>18,043</u>
Non-current liabilities:			
Revenue bonds due after one year	<u>-</u>	<u>28,027</u>	<u>28,027</u>
Total non-current liabilities	<u>-</u>	<u>28,027</u>	<u>28,027</u>
Total liabilities	<u>9,844</u>	<u>36,226</u>	<u>46,070</u>
NET ASSETS			
Invested in capital assets, net of related debt	227,920	644,336	872,255
Unrestricted	<u>131,614</u>	<u>86,425</u>	<u>218,039</u>
Total net assets	<u>359,534</u>	<u>730,760</u>	<u>1,090,294</u>
Total liabilities and net assets	<u>\$369,378</u>	<u>766,986</u>	<u>1,136,363</u>

See accompanying notes and accountant's report.

Wallsburg Town
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2005

	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	Net (Expense) Revenue (To Next Page)
<u>FUNCTIONS/PROGRAMS:</u>					
Primary government:					
Governmental activities:					
Administrative	\$ 37,547	3,955	-	-	(33,592)
Streets	23,729	-	17,076	-	(6,653)
Parks and recreation	<u>6,039</u>	<u>10,857</u>	<u>-</u>	<u>-</u>	<u>4,817</u>
Total governmental activities	<u>67,315</u>	<u>14,812</u>	<u>17,076</u>	<u>-</u>	<u>(35,428)</u>
Business-type activities:					
Water	<u>42,365</u>	<u>37,293</u>	<u>-</u>	<u>36,417</u>	<u>31,344</u>
Total business-type activities	<u>42,365</u>	<u>37,293</u>	<u>-</u>	<u>36,417</u>	<u>31,344</u>
Total primary government	<u>\$109,680</u>	<u>52,104</u>	<u>17,076</u>	<u>36,417</u>	<u>(4,083)</u>

(Continued on next page)

See accompanying notes and accountant's report.

Wallsburg Town
STATEMENT OF ACTIVITIES (continued)
For the Year Ended June 30, 2005

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
CHANGE IN NET ASSETS:			
Net (expense) revenue (from previous page)	\$ <u>(35,428)</u>	<u>31,344</u>	<u>(4,083)</u>
General revenues:			
Property taxes	10,013	-	10,013
Sales taxes	24,945	-	24,945
Unrestricted investment earnings	2,150	-	2,150
Miscellaneous	<u>2,768</u>	<u>-</u>	<u>2,768</u>
Total general revenues	<u>39,877</u>	<u>-</u>	<u>39,877</u>
Transfers	<u>-</u>	<u>-</u>	<u>-</u>
Total general revenues and transfers	<u>39,877</u>	<u>-</u>	<u>39,877</u>
Change in net assets	<u>4,449</u>	<u>31,344</u>	<u>35,793</u>
Net assets - beginning	<u>355,084</u>	<u>699,416</u>	<u>1,054,500</u>
Net assets - ending	<u>\$359,534</u>	<u>730,760</u>	<u>1,090,294</u>

See accompanying notes and accountant's report.

Wallsburg Town
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2005

	<u>Major Funds</u>		<u>Non-major</u>	Total
	<u>General</u>	<u>Capital</u>	<u>Perpetual</u>	<u>Governmental</u>
	<u>Fund</u>	<u>Projects</u>	<u>Care Fund</u>	<u>Funds</u>
		<u>Fund</u>	<u>Cemetery</u>	
ASSETS				
Cash and cash equivalents	\$22,767	59,653	27,977	110,397
Receivables:				
Property tax	23,630	-	-	23,630
Sales tax	4,756	-	-	4,756
Class C road	<u>2,675</u>	<u>-</u>	<u>-</u>	<u>2,675</u>
TOTAL ASSETS	<u>\$53,828</u>	<u>59,653</u>	<u>27,977</u>	<u>141,458</u>
LIABILITIES				
Liabilities:				
Accounts payable	\$ 691	-	-	691
Deferred revenue	<u>23,365</u>	<u>-</u>	<u>-</u>	<u>23,365</u>
Total liabilities	<u>24,056</u>	<u>-</u>	<u>-</u>	<u>24,056</u>
FUND BALANCES				
Unreserved, reported in:				
General Fund	29,772	-	-	29,772
Capital Projects	-	59,653	-	59,653
Cemetery	<u>-</u>	<u>-</u>	<u>27,977</u>	<u>27,977</u>
Total fund balances	<u>29,772</u>	<u>59,653</u>	<u>27,977</u>	<u>117,402</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$53,828</u>	<u>59,653</u>	<u>27,977</u>	<u>141,458</u>

See accompanying notes and accountant's report.

Wallsburg Town
**STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**
 For the Year Ended June 30, 2005

	<u>Major Funds</u>		<u>Non-major</u>	
	<u>General</u>	<u>Capital</u>	<u>Perpetual</u>	<u>Total</u>
	<u>Fund</u>	<u>Projects</u>	<u>Care Fund</u>	<u>Governmental</u>
		<u>Fund</u>	<u>Cemetery</u>	<u>Funds</u>
REVENUES:				
Taxes:				
Property	10,013	-	-	10,013
Sales	24,945	-	-	24,945
Licenses and permits	275	-	-	275
Intergovernmental	17,076	-	-	17,076
Charges for services	7,916	-	-	7,916
Interest income	2,127	-	24	2,150
Miscellaneous revenue	<u>6,448</u>	<u>-</u>	<u>2,941</u>	<u>9,389</u>
Total revenues	<u>68,799</u>	<u>-</u>	<u>2,965</u>	<u>71,764</u>
EXPENDITURES:				
Current:				
General government	33,480	-	-	33,480
Highways and public works	18,715	-	-	18,715
Parks and recreation	5,674	-	-	5,674
Capital outlay:				
Parks and recreation	<u>-</u>	<u>4,976</u>	<u>-</u>	<u>4,976</u>
Total expenditures	<u>57,868</u>	<u>4,976</u>	<u>-</u>	<u>62,845</u>
Excess (deficiency) of revenues over expenditures	<u>10,931</u>	<u>(4,976)</u>	<u>2,965</u>	<u>8,919</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	16,061	11,215	10,000	37,276
Transfers out	<u>(11,215)</u>	<u>(26,061)</u>	<u>-</u>	<u>(37,276)</u>
Total other financing sources and uses	<u>4,846</u>	<u>(14,846)</u>	<u>10,000</u>	<u>-</u>
Net change in fund balances	15,777	(19,822)	12,965	8,919
Fund balances - beginning of year	<u>13,995</u>	<u>79,475</u>	<u>15,012</u>	<u>108,483</u>
Fund balances - end of year	<u>29,772</u>	<u>59,653</u>	<u>27,977</u>	<u>117,402</u>

See accompanying notes and accountant's report.

Wallsburg Town
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS**
June 30, 2005

Total Fund Balances for Governmental Funds	<u>\$117,402</u>
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Total net assets reported for governmental activities in the statement
are different because:

Capital assets used in governmental funds are not financial resources and
therefore are not reported in the funds.

Capital assets, at cost	393,391
Less accumulated depreciation	<u>(165,472)</u>
Net capital assets	<u>227,920</u>

Certain revenue is deferred in governmental funds but not in the
statement of net assets because it qualifies for recognition under the
economic resources measurement focus.

Delinquent property tax deferred in the funds but not in government-wide	<u>14,212</u>
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Total Net Assets of Governmental Activities	<u>\$359,534</u>
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See accompanying notes and accountant's report.

Wallsburg Town
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES**
June 30, 2005

Net Change in Fund Balances - Total Governmental Funds **\$8,919**

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with a material cost are capitalized and the cost is allocated over their estimated useful life and reported as depreciation expenses.

Capital outlays	4,976
Depreciation expense	<u>(9,447)</u>
Net	<u>(4,470)</u>

Change in Net Assets of Governmental Activities **\$4,449**

See accompanying notes and accountant's report.

Wallsburg Town
STATEMENT OF NET ASSETS - PROPRIETARY FUNDS
June 30, 2005

	Enterprise <u>Water Fund</u>
ASSETS:	
Current Assets:	
Cash and cash equivalents	\$ 83,711
Accounts receivable	<u>6,912</u>
Total current assets	<u>90,623</u>
Non-current assets:	
Restricted cash and cash equivalents	
Capital assets, net of depreciation	<u>676,363</u>
Total non-current assets	<u>676,363</u>
Total assets	<u>\$766,985</u>
LIABILITIES:	
Current liabilities:	
Accounts payable	\$ 4,199
Revenue bonds payable - current	<u>4,000</u>
Total current liabilities	<u>8,199</u>
Non-current liabilities:	
Revenue bonds payable - after one year	<u>28,027</u>
Total non-current liabilities	<u>28,027</u>
Total liabilities	<u>36,226</u>
NET ASSETS:	
Invested in capital assets, net of related debt	644,336
Restricted	-
Unrestricted	<u>86,424</u>
Total net assets	<u>730,760</u>
Total liabilities and net assets	<u>\$766,985</u>

See accompanying notes and accountant's report.

Wallsburg Town
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
For the Year Ended June 30, 2005

	Enterprise Water Fund
Operating revenues:	
Water sales	\$ <u>37,293</u>
Total operating revenues	<u>37,293</u>
Operating expenses:	
Personal services	1,292
Utilities	3,841
Maintenance and repairs	6,841
Other supplies and expenses	12,029
Depreciation	<u>16,565</u>
Total operating expense	<u>40,569</u>
Operating income (loss)	<u>(3,276)</u>
Non-operating revenues (expenses):	
Interest income	-
Interest on long-term debt	<u>(1,796)</u>
Total non-operating revenues (expenses)	<u>(1,796)</u>
Income (loss) before contributions and transfers	<u>(5,073)</u>
Capital contributions	36,417
Transfers	
Change in net assets	<u>31,344</u>
Total net assets - beginning	<u>699,416</u>
Total net assets - ending	<u>\$730,760</u>

See accompanying notes and accountant's report.

Wallsburg Town
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
For the year ended June 30, 2005

	Enterprise Water Fund
Cash flows from operating activities:	
Cash received from customers	\$ 39,038
Cash paid to suppliers	(22,135)
Cash paid to employees	<u>(1,292)</u>
Net cash provided (used) by operating activities	<u>15,611</u>
Cash flows from noncapital financing activities:	
Net cash provided (used) in noncapital financing activities	-
Cash flows from capital and related financing activities:	
Cash from capital grants	36,417
Cash payments for capital assets	(40,951)
Cash payments for long-term debt	(4,000)
Cash payments for long-term debt interest	<u>(1,796)</u>
Net cash provided (used) by capital and related finance activities	<u>(10,330)</u>
Cash flows from investing activities:	
Cash received from interest earned	-
Net cash provided (used) by investing activities	-
Net increase (decrease) in cash and cash equivalents	5,281
Cash and cash equivalents - beginning	<u>78,430</u>
Cash and cash equivalents - ending	<u>\$ 83,711</u>

Continued on next page

See accompanying notes and accountant's report.

Wallsburg Town
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS, continued
For the year ended June 30, 2005

**Reconciliation of Operating Income
to Net Cash Provided from Operating Activity:**

	Enterprise Water <u>Fund</u>
Net operating income (expense)	\$ (3,276)
Adjustments to reconcile operating income or (loss) to net cash provided (used) in operating activities	
Depreciation and amortization	16,565
Changes in assets and liabilities:	
(Increase) decrease in accounts receivable	1,745
(Increase) decrease in prepaid expense	-
Increase (decrease) in accounts payable - operations	<u>577</u>
Net cash provided in operating activity	<u>\$15,611</u>

See accompanying notes and accountant's report.

Wallsburg Town
NOTES TO FINANCIAL STATEMENTS
June 30, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1-A. Reporting entity

Wallsburg Town, (the Town), a municipal corporation located in Wasatch County, Utah, operates under a Mayor-Council form of government. The accompanying financial statements present the entities for which the Town is considered to be financially accountable.

The Town has no component units and is not a component unit of another entity.

1-B. Government-wide and fund financial statements

Government-wide Financial Statements

The government-wide financial statements, consisting of the statement of net assets and the statement of activities report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of inter-fund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Indirect expenses are not allocated. All expenses are included in the applicable function. *Program revenues* include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privilege provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Fund Financial Statements

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, if any, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statement.

Wallsburg Town
NOTES TO FINANCIAL STATEMENTS
June 30, 2005

1-C. Measurement focus, basis of accounting, and financial statement presentation

The financial statements of the Town are prepared in accordance with generally accepted accounting principles (GAAP). The Town's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements and applicable Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless they conflict with GASB pronouncements. The Town's reporting entity does not apply FASB pronouncements or APB opinions issued after November 30, 1989.

The government-wide statements are reported using the economic resources measurement focus and the accrual basis of accounting, generally including the reclassification of internal activity (between or within funds). However, internal eliminations do not include utility services provided to Town departments or payments to the general fund by other funds for providing administrative and billing services for such funds. Reimbursements are reported as reductions to expenses. Proprietary and any fiduciary fund financial statements are also reported using this same focus and basis of accounting although internal activity is not eliminated in these statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax revenues are recognized in the year for which they are levied while grants are recognized when the grantor eligibility requirements are met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, sales taxes, intergovernmental revenues, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating income and expense reported in proprietary fund financial statements include those revenues and expenses related to the primary, continuing operations of the fund. Principal operating revenues for proprietary funds are charges to customers for sales or services. Principal operating expenses are the costs of providing goods or services, including administrative expenses and depreciation of capital assets. Other revenues and expenses are classified as non-operating in the financial statements.

Wallsburg Town
NOTES TO FINANCIAL STATEMENTS
June 30, 2005

**1-C. Measurement focus, basis of accounting, and financial statement presentation
(continued)**

Policy regarding use of restricted resources

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as needed. Restricted assets and liabilities payable from restricted assets current in nature are reported with current assets and current liabilities. *Restricted assets, non-current* reports assets restricted for acquisition or construction of non-current assets, or are restricted for liquidation of long-term debt.

1-D. Fund types and major funds

Governmental funds

The Town reports the following major governmental fund:

The *general fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *capital projects fund* accounts for revenues and expenditures relating to major capital acquisition or construction.

The Town reports the following non-major governmental funds:

The *cemetery fund* accounts for the legally restricted principal trust amounts received and related interest income. The interest portion can be used to maintain the community cemetery.

Proprietary fund

The Town reports the following major proprietary fund:

The *water fund* is an enterprise fund used to account for the activities involving culinary water distribution.

1-E. Assets, Liabilities, and Net Assets or Equity

1-E-1. Deposit and Investments

Investments are reported at fair value. Deposits are reported at cost, which approximates fair value. Investments of the Town are accounts at the Utah Public Treasurers Investments Fund. Additional information is contained in Note 2.

Wallsburg Town
NOTES TO FINANCIAL STATEMENTS
June 30, 2005

1-E. Assets, Liabilities, and Net Assets or Equity (continued)

1-E-2. Cash and Cash Equivalents

The government's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

1-E-3. Receivables and Payables

Accounts receivable other than property taxes and intergovernmental receivables are from customers primarily for utility services. All receivables are considered collectible. No allowance accounts are maintained.

During the course of operations, there may be transactions occur between funds that are representative of lending/borrowing arrangements outstanding at year-end. These are reported as either *due to* or *due from other funds*.

On or before June 22 each year, the Town sets its budget for property taxes. Property taxes are assessed and collected for the Town by Wasatch County and remitted to the Town shortly after collection. Property taxes become a lien on January 1 and are levied on the first Monday in August. Taxes are due and payable on November 1, and are delinquent after November 30. All dates are in the year of levy.

1-E-4. Restricted Assets

In accordance with certain revenue bond covenants, resources may be required to be set aside for the repayment of such bonds, and, on occasion, for the repair and maintenance of the assets acquired with the bond proceeds. These resources are classified as restricted assets on the balance sheet because of their limited use. Most capital grant agreements mandate that grant proceeds be spent only on capital assets. Unspent resources of this nature are also classified as restricted. The limited use resources described above involve a reported restriction of both cash and net assets.

Unspent proceeds of bonds issued to finance capital assets are also reported as restricted cash.

1-E-5. Inventories and Prepaid items

Inventories in governmental funds are not reported. These consist of immaterial amounts of expendable supplies for consumption. Such supplies are acquired as needed. Proprietary fund inventories, where material, are stated at the lower of cost or market, using the first-in, first-out basis.

Prepaid items record payments to vendors that benefit future reporting and are reported on the consumption basis. Both inventories and prepayments are similarly reported in government-wide and fund financial statements.

Wallsburg Town
NOTES TO FINANCIAL STATEMENTS
June 30, 2005

1-E. Assets, Liabilities, and Net Assets or Equity (continued)

1-E-6. Capital Assets

Capital assets includes property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), and are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual significant cost and an estimated useful life in excess of two years. Such assets are recorded at historical cost or at estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Infrastructure is depreciated.

The cost of normal maintenance and repairs that does not add to the value of an asset or materially extend the asset's life is not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Upon retirement or disposition of capital assets, the cost and related accumulated depreciation are removed from the respective accounts. Depreciation of capital assets is computed using the straight-line method over their estimated useful lives.

Property, plant, and equipment of the primary government, as well as the component units if any, is depreciated using the straight line method over the following estimated useful lives:

Assets	Years
Buildings and improvements	30-50
Utility systems	30-50
Infrastructure	30-50
Vehicles and equipment	3-10

1-E-7. Long-term Obligations

In the government-wide and proprietary fund financial statements, long-term debt and obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net assets. Bond issuance costs, bond discounts or premiums, and the difference between the reacquisition price and the net carrying value of refunded debt are deferred and amortized over the terms of the respective bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Significant or material bond issuance costs are reported as deferred charges.

The governmental fund financial statements recognize the proceeds of debt and premiums as other financing sources of the current period. Governmental issue related costs are reported as expenditures.

Wallsburg Town
NOTES TO FINANCIAL STATEMENTS
June 30, 2005

1-E. Assets, Liabilities, and Net Assets or Equity (continued)

1-E-8. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. The General Fund reserve for restricted purposes includes fund balance/net assets resulting from Class C road allotments restricted for eligible road maintenance. Any designations of fund balance represent tentative management plans that are subject to change.

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

2-A. Budgetary data

Annual budgets are prepared and adopted by ordinance by total for each department, in accordance with State law, by the Mayor and Town Council on or before June 22 for the following fiscal year beginning July 1. Estimated revenues and appropriations may be increased or decreased by resolution of the Town Council at any time during the year. A public hearing must be held prior to any proposed increase in a fund's appropriations. Budgets include activities in the General Fund. The level of the Town's budgetary control (the level at which the Town's expenditures cannot legally exceed appropriations) is established at the department level. Each department head is responsible for operating within the budget for their department. All annual budgets lapse at fiscal year end.

Under Utah state regulations, the maximum amount allowed in the general fund may not exceed 75% of the total estimated revenues in the general fund.

Once adopted, the budget may be amended by the Town Council without hearing provided the budgeted expenditures do not exceed budgeted revenues and appropriated fund balance. A public hearing must be held if the budgeted expenditures will exceed budgeted revenues and any fund balance which is available for budgeting. With the consent of the Mayor, department heads may reallocate unexpended appropriated balances from one expenditure account to another within that department during the budget year. Budgets for the General Fund are prepared on the modified accrual basis of accounting. Encumbrances are not used.

2-B. Deficit fund net assets

None of the Town's funds have deficit balances.

Wallsburg Town
NOTES TO FINANCIAL STATEMENTS
June 30, 2005

NOTE 3 - DETAILED NOTES ON ALL FUNDS

3-A. Deposits and investments

Deposits and investments as of June 30, 2005 consist of the following:

	<u>Fair Value</u>
Cash on hand	-
Demand deposits - checking	\$ 69,391
Savings accounts - banks	41,172
Investments - PTIF	<u>83,545</u>
Total cash and investments	<u>\$194,108</u>

Cash and investments listed above are classified in the accompanying government-wide statement of net assets as follows:

Cash and cash equivalents	\$194,108
Restricted cash and cash equivalents	<u>-</u>
Total cash and cash equivalents	<u>\$194,108</u>

The Utah Money Management Act (UMMA) establishes specific requirements regarding deposits of public funds by public treasurers. UMMA requires that town funds be deposited with a qualified depository which includes any depository institution which has been certified by the Utah State Commissioner of Financial Institutions as having met the requirements specified in UMMA Section 51, Chapter 7. UMMA provides the formula for determining the amount of public funds which a qualified depository may hold in order to minimize risk of loss and also defines capital requirements which an Institution must maintain to be eligible to accept public funds. UMMA lists the criteria for investments and specifies the assets which are eligible to be invested in, and for some investments, the amount of time to maturity.

UMMA enables the State Treasurer to operate the Public Treasurer's Investment Pool (PTIF). PTIF is managed by the Utah State Treasurer's investment staff and comes under the regulatory authority of the Utah Money Management Council. This council is comprised of a select group of financial professionals from units of local and state government and financial institutions doing business in the state. PTIF operations and portfolio composition is monitored at least semi-annually by the Utah Money Management Council. PTIF is unrated by any nationally recognized statistical rating organizations. Deposits in PTIF are not insured or otherwise guaranteed by the State of Utah. Participants share proportionally in any realized gains or losses on investments which are recorded on an amortized cost basis. The balance available for withdrawal is based on the accounting records maintained by PTIF. The fair value of the investment pool is approximately equal to the value of the pool shares. The Town maintains monies not immediately needed for expenditure in PTIF and FDIC insured bank savings accounts.

Wallsburg Town
NOTES TO FINANCIAL STATEMENTS
June 30, 2005

3-A. Deposits and investments (continued)

Deposit and Investment Risk

The Town maintains no investment policy containing any specific provisions intended to limit the Town's exposure to interest rate risk, credit risk, and concentration of credit risk other than that imposed by UMMA. The Town's compliance with the provisions of UMMA addresses each of these risks.

Interest rate risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. All deposits and investments of the Town are available immediately.

Credit risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligations. Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits. All of the Town's demand and savings deposits are covered by FDIC insurance.

Custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. This risk is addressed through the policy of investing excess monies only in PTIF.

Concentration of credit risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. PTIF falls under the constraints of UMMA in limiting concentrations of investments.

3-B. Receivables

Receivables as of June 30, 2005 for the Town are as follows:

	<u>General Fund</u>	<u>Water Fund</u>	<u>Total</u>
Receivables:			
Property tax, current	\$ 265	-	265
Property tax, deferred	23,365	-	23,365
Sales tax	4,756	-	4,756
Class C road	2,675	-	2,675
Customers	<u>-</u>	<u>6,912</u>	<u>6,912</u>
Total accounts receivable	<u>\$31,061</u>	<u>6,912</u>	<u>37,973</u>

Wallsburg Town
NOTES TO FINANCIAL STATEMENTS
June 30, 2005

3-C. Capital Assets

Capital asset activity for the governmental activities was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated				
Land	\$ 47,296	-	-	47,296
Land under streets	3,200	-	-	3,200
Construction in progress				
Total capital assets, not being depreciated	<u>50,496</u>	<u>-</u>	<u>-</u>	<u>50,496</u>
Capital assets, being depreciated				
Buildings	96,000	-	-	96,000
Improvements other than buildings	10,690	4,976	-	15,666
Machinery and equipment	11,000	-	-	11,000
Infrastructure	220,229	-	-	220,229
Total capital assets, being depreciated	<u>337,919</u>	<u>4,976</u>	<u>-</u>	<u>342,895</u>
Less accumulated depreciation for:				
Buildings	35,500	2,400	-	37,900
Improvements other than buildings	802	366	-	1,168
Machinery and equipment	7,389	1,667	-	9,056
Infrastructure	112,334	5,014	-	117,349
Total accumulated depreciation	<u>156,025</u>	<u>9,447</u>	<u>-</u>	<u>165,472</u>
Total capital assets being depreciated, net	<u>181,894</u>	<u>(4,470)</u>	<u>-</u>	<u>177,424</u>
Governmental activities capital assets, net	<u>\$232,390</u>	<u>(4,470)</u>	<u>-</u>	<u>227,920</u>

Depreciation expense was charged to functions/programs of the primary government governmental activities as follows:

Governmental Activities:	
General government	\$4,067
Public safety	-
Highways and public improvements	5,014
Parks, recreation and public property	366
Total	<u>\$9,447</u>

Wallsburg Town
NOTES TO FINANCIAL STATEMENTS
June 30, 2005

3-C. Capital assets, continued

Capital asset activity for business-type activities was as follows:

	Beginning <u>Balance</u>	<u>Additions</u>	<u>Retirements</u>	Ending <u>Balance</u>
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 5,000	-	-	5,000
Water shares	12,320	-	-	12,320
Construction in progress	<u>-</u>	<u>44,572</u>	<u>-</u>	<u>44,572</u>
Total capital assets, not being depreciated	<u>17,320</u>	<u>44,572</u>	<u>-</u>	<u>61,892</u>
Capital assets, being depreciated:				
Culinary water distribution system	<u>781,128</u>	<u>-</u>	<u>-</u>	<u>781,128</u>
Total capital assets being depreciated	<u>781,128</u>	<u>-</u>	<u>-</u>	<u>781,128</u>
Less accumulated depreciation for:				
Culinary water distribution system	<u>150,092</u>	<u>16,565</u>	<u>-</u>	<u>166,657</u>
Total accumulated depreciation	<u>150,092</u>	<u>16,565</u>	<u>-</u>	<u>166,657</u>
Total capital assets being depreciated, net	<u>631,036</u>	<u>(16,565)</u>	<u>-</u>	<u>614,471</u>
Business-type activities capital assets, net	<u>\$648,356</u>	<u>28,007</u>	<u>-</u>	<u>676,363</u>

Depreciation expense was charged to functions/programs of the primary government business-type activities as follows:

Business-Type Activities:	
Water	<u>\$16,565</u>
Total	<u>\$16,565</u>

Wallsburg Town
NOTES TO FINANCIAL STATEMENTS
June 30, 2005

3-D. Long-term debt

Long-term debt activity for the year was as follows:

	<u>Original Principal</u>	<u>% Rate</u>	<u>06/30/2004</u>	<u>Additions</u>	<u>Reductions</u>	<u>06/30/2005</u>	<u>Due within one year</u>
1997 GMAC Water	<u>\$80,000</u>	<u>5.00</u>	<u>36,027</u>	<u>-</u>	<u>4,000</u>	<u>32,027</u>	<u>4,000</u>
Totals			<u>\$36,027</u>	<u>-</u>	<u>4,000</u>	<u>32,027</u>	<u>4,000</u>

All bonds are revenue bonds secured by the revenues of the water system. Bonds were issued to finance the construction of the water system.

Revenue bond debt service requirements to maturity are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006	\$ 4,000	1,601	5,601
2007	4,000	1,401	5,401
2008	4,000	1,201	5,201
2009	4,000	1,001	5,001
2010	4,000	801	4,801
2011-2015	<u>12,027</u>	<u>1,204</u>	<u>13,231</u>
Total	<u>\$32,027</u>	<u>7,211</u>	<u>39,238</u>

NOTE 4 - OTHER INFORMATION

4-A. Risk management

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The Town participates in the Utah Local Government Trust, a public agency insurance mutual, which provides coverage for property damage and general liability. The Town is subject to a minimal deductible for claims. There have been no significant reductions in insurance coverage from coverage in the prior year. Amounts of settlements have not exceeded insurance coverage in any of the past three fiscal years.

REQUIRED SUPPLEMENTAL INFORMATION
(Unaudited)

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Wallsburg Town
Notes to Required Supplementary Information
June 30, 2005

Budgetary Comparison Schedules

The Budgetary Comparison Schedules presented in this section of the report are for the Town's General Fund.

Budgeting and Budgetary Control

Budgets for the General Fund are legally required and are prepared and adopted on the modified accrual basis of accounting.

Original budgets represent the revenue estimates and spending authority authorized by the Town Council prior to the beginning of the year. Final budgets represent the original budget amounts plus any amendments made to the budget during the year by the Council through formal resolution. Final budgets do not include unexpended balances from the prior year because such balances automatically lapse to unreserved fund balance at the end of each year.

Current Year Excess of Expenditures over Appropriations

For the year ended June 30, 2005, spending for all funds and departments of the Town was within the approved budgets.

Wallsburg Town
**SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES -BUDGET AND ACTUAL-GENERAL FUND**
 (Unaudited)
 For the Year Ended June 30, 2005

	<u>Budgeted Original</u>	<u>Budgeted Final</u>	<u>Actual</u>	<u>Variance with Final Budget Under (Over)</u>
REVENUES:				
Taxes	\$28,600	28,600	34,958	(6,358)
Licenses and permits	150	150	275	(125)
Intergovernmental revenues	17,000	14,814	17,076	(2,262)
Charges for services	-	275	275	-
Interest	1,400	1,700	2,127	(427)
Miscellaneous revenue	<u>9,250</u>	<u>13,050</u>	<u>14,089</u>	<u>(1,039)</u>
Total revenues	<u>56,400</u>	<u>58,589</u>	<u>68,799</u>	<u>(10,210)</u>
EXPENDITURES:				
General government	33,585	34,835	33,480	1,355
Public safety				
Highways and public improvements	2,000	19,000	18,235	765
Parks, recreation and public property	<u>9,600</u>	<u>9,600</u>	<u>6,154</u>	<u>3,446</u>
Total expenditures	<u>45,185</u>	<u>63,435</u>	<u>57,868</u>	<u>5,567</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>11,215</u>	<u>(4,846)</u>	<u>10,931</u>	<u>(15,777)</u>
Other Financing Sources and (Uses):				
Transfers in	-	16,061	16,061	-
Transfers (out)	<u>(11,215)</u>	<u>(11,215)</u>	<u>(11,215)</u>	<u>-</u>
Total other financing sources and (uses)	<u>(11,215)</u>	<u>4,846</u>	<u>4,846</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>-</u>	<u>\$15,777</u>	<u>(15,777)</u>
Fund balances - beginning of year			<u>13,995</u>	<u>(13,995)</u>
Fund Balances - end of year			<u>\$29,772</u>	<u>(29,772)</u>